

A Wealth Inheritor's Tragedy

Family Wealth Report

By Charles Lowenhaupt

May 8, 2018

LOWENHAUPT
— & —
CHASNOFF
ATTORNEYS AT LAW

Charles Lowenhaupt On A Wealth Inheritor's Tragedy

Charles Lowenhaupt, May 8, 2018



The case of an ultra-wealthy inheritor who recently died after battling drug addiction carries lessons for how those who come into a massive fortune keep their life in balance.

Regular *FWR* guest columnist. [Charles Lowenhaupt](#), who is founder and chairman of [Lowenhaupt Global Advisors](#), talks about some of the tough issues facing certain inheritors of great wealth. This follows [an article he wrote](#) looking at the different side of the coin: of how those who haven't inherited a fortune but had to strive for achievement might turn out to be far more fulfilled in the long term.

The editors of this publication are pleased to share these thoughts and invite readers to respond. Email tom.burroughes@wealthbriefing.com

Matthew Mellon, scion of the Mellon and Drexel families, was the kind of aristocratic wealth inheritor and creator that embodies the truly rich.

He was privileged, good-looking and never had any reason to believe he would be without enough money. Indeed, he was said to have created a billion dollars of his own wealth in cryptocurrency.

Yet, several weeks ago, his life ended abruptly at 54. He died as he entered a Mexican drug rehabilitation facility after battling drug addiction. In 2016, he said he was taking 80 OxyContin pills a day at a cost of \$100,000 a month.

How could a person with the potential to do so much good, and with so many resources at his disposal, lead a life that ended so tragically?

A failure to self-actualize

One possible explanation is that Mellon was caught.

Bi-polar, he was presumably caught medically between mania and depression. He was also caught between tradition and synthetic modernity. His family legacy was traditional banking and brokerage. His own wealth creation was synthetic currency. His family's legacy was public service and gifts to community. His own life was full of synthetic drugs and opioids.

His plight is not dissimilar from many wealth inheritors who fail to fully self-actualize and create their own legacy

For many wealth inheritors, the task is much harder than it might appear. Wealth inheritors may find their lives crashing on the rocks of the past as they try to navigate their future. Rather than wealth freeing them to live life, many find that wealth and legacy enslave them. Too many lose focus and concentrate on creating more wealth or preserving what they have. They become ensnared in trying to meet history's expectations.

Living in the shadows

So, rather than a man who has autonomy and is in charge of his life, we see Matthew Mellon struggling to find himself.

Like others of his pedigree and circumstance, it's quite likely he lived in the shadows of others, and that bothered him greatly. First, it was his family's legacy and then his wife's. According to a published report in 2007, "When your wife makes \$100 million during the course of your marriage, it's quite a shocker. I felt like my masculinity had been stripped from me. I was no longer the big man in the relationship. . . ."

Perhaps it is no surprise that later in life, after the shoe company he founded was less successful than his wife's shoe company, he engaged in cryptocurrency trading. He wound up making a fortune.

But what if he had gone the other way? What if he dedicated himself to using his wealth to build community? What if he wasn't obsessed with proving himself through wealth accumulation and instead devoted himself to helping others? Might he have found a different kind of fulfillment?

Creating your own legacy

Life should not be enslaved in perceived legacy.

Indeed, it is up to each individual to define his or her own legacy to realize their full potential. Choosing an inauthentic lifestyle or legacy creates the very synthetic existence Mellon must have led. Significantly, neither opioids nor cryptocurrency rooted Mellon in the community his ancestors helped to build.

Mellon needed to deal with his bipolar illness, yes. He needed to recognize his own limitations, but more importantly, he needed to understand who he was. He needed to figure out how to self-actualize – regardless of the legacy which would enslave him.

The challenge for the wealth inheritor is putting wealth in its place, so he or she can get on with life. Dealing with one's legacy requires making it on one's own. Figuring out who you are is more important than figuring out who your parents were or what they now want of you.

About the author

Charles Lowenhaupt is Founder and Chairman of Lowenhaupt Global Advisors, a family office with a 100-year legacy of working with individuals and families of significant wealth. He is also the author of the upcoming book, Wise Inheritor's Guide to Freedom From Wealth.